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# ***Sysmex Nordic ApS***

Hedegaardsvej 88, DK-2300 Copenhagen

## **Annual Report for 1 April 2023 - 31 March 2024**

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CVR No. 38 25 11 20

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 11/10 2024

Sven Kragelund  
Dohmann  
Chairman of the  
general meeting

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# Management's statement

The Executive Board has today considered and adopted the Annual Report of Sysmex Nordic ApS for the financial year 1 April 2023 - 31 March 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2024 of the Company and of the results of the Company operations and cash flows for 2023/24.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 11 October 2024

## Executive Board

Sven Kragelund Dohmann  
Manager

Ulf Sigurd Skimmeland  
Manager

Matthias Völkel  
Manager

# Independent Auditor's report

To the shareholder of Sysmex Nordic ApS

## Opinion

We have audited the financial statements of Sysmex Nordic ApS for the financial year 01.04.2023 - 31.03.2024, 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 31.03.2024 and of the results of its operations and cash flows for the financial year 01.04.2023 - 31.03.2024 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 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

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 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 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 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.

# Independent Auditor's report

- 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 Management's Review

Management is responsible for the management's review.

Our opinion on the financial statements does not cover the management's review, 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's review and, in doing so, consider whether the management's review 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's review provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management's review.

Copenhagen, 11 October 2024

## Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33963556

Flemming Larsen

State Authorised Public Accountant

mne27790

Victor Fortmann Storm

State Authorised Public Accountant

mne50626

# Company information

**The Company**                      Sysmex Nordic ApS  
Hedegaardsvej 88  
DK-2300 Copenhagen  
  
CVR No: 38 25 11 20  
Financial period: 1 April 2023 - 31 March 2024  
Incorporated: 12 December 2016  
Municipality of reg. office: Copenhagen

**Executive Board**                      Sven Kragelund Dohmann  
Ulf Sigurd Skimmeland  
Matthias Völkel

**Auditors**                              Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen

## Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023/24	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit	96,145	95,752	92,622	76,647	69,058
Profit/loss of financial income and expenses	-338	202	-823	-921	750
Net profit/loss for the year	15,217	19,066	17,264	11,050	18,031
<b>Balance sheet</b>					
Balance sheet total	120,945	125,334	131,252	126,921	130,304
Investment in property, plant and equipment	2,487	2,424	1,252	1,320	818
Equity	50,012	63,951	60,555	67,423	53,079
<b>Ratios</b>					
Solvency ratio	41.4%	51.0%	46.1%	53.1%	40.7%
Return on equity	26.7%	30.6%	27.0%	18.3%	39.3%

# Management's review

## Key activities

Sysmex Nordic ApS's activity consists of sales and service of instruments, accessories, and reagents for the health care industry.

## Development in the year

The profit of the year is DKK 15,217 thousand . The result is satisfactory and as expected for the year.

Management expects the result for the fiscal year 2024/25 to be within the interval DKK 10-15 million.

## Environmental impact

Sysmex recognises environmental issues and as part of the Sysmex Group a wide range of initiatives are taken to reduce the climate impact. The major environmental impact from the Group comes from production that is mostly done in Japan and Germany.

## Research and development

Research and development activities are carried out on a group level. The company invest in ongoing development and education of employees. This is done mainly through Sysmex Academy to ensure that all employees are fully updated and able to serve customers.

## Branches abroad

The company operates in all Nordic countries with an office in Copenhagen and branch offices in both Sweden and Norway. A new branch has been established in Finland the financial year 2024/25.

## Subsequent events

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

## Income statement 1 April 2023 - 31 March 2024

	Note	2023/24	2022/23
		TDKK	TDKK
<b>Gross profit</b>		<b>96,145</b>	<b>95,752</b>
Staff expenses	1	-74,441	-69,266
Depreciation and impairment losses of property, plant and equipment		-1,869	-2,612
<b>Profit/loss before financial income and expenses</b>		<b>19,835</b>	<b>23,874</b>
Financial income		803	2,273
Financial expenses		-1,141	-2,071
<b>Profit/loss before tax</b>		<b>19,497</b>	<b>24,076</b>
Tax on profit/loss for the year	2	-4,280	-5,010
<b>Net profit/loss for the year</b>	3	<b>15,217</b>	<b>19,066</b>

## Balance sheet 31 March 2024

### Assets

	Note	2023/24	2022/23
		TDKK	TDKK
Other fixtures and fittings, tools and equipment		2,422	3,879
Leasehold improvements		1,787	52
<b>Property, plant and equipment</b>	4	<b>4,209</b>	<b>3,931</b>
Deposits	5	1,194	417
<b>Fixed asset investments</b>		<b>1,194</b>	<b>417</b>
<b>Fixed assets</b>		<b>5,403</b>	<b>4,348</b>
Finished goods and goods for resale		35,109	32,623
<b>Inventories</b>		<b>35,109</b>	<b>32,623</b>
Trade receivables		30,160	35,070
Receivables from group enterprises		3,801	4,678
Other receivables		1,271	180
Deferred tax asset	6	26	87
Prepayments	7	2,148	2,873
<b>Receivables</b>		<b>37,406</b>	<b>42,888</b>
<b>Cash at bank and in hand</b>		<b>43,027</b>	<b>45,475</b>
<b>Current assets</b>		<b>115,542</b>	<b>120,986</b>
<b>Assets</b>		<b>120,945</b>	<b>125,334</b>

## Balance sheet 31 March 2024

### Liabilities and equity

	Note	2023/24	2022/23
		TDKK	TDKK
Share capital		8,000	8,000
Reserve for exchange rate conversion		-1,636	0
Retained earnings		23,648	28,431
Proposed dividend for the year		20,000	27,520
<b>Equity</b>		<b>50,012</b>	<b>63,951</b>
Other provisions	8	409	219
<b>Provisions</b>		<b>409</b>	<b>219</b>
Trade payables		4,896	2,915
Payables to group enterprises		18,478	88
Corporation tax		801	2,191
Other payables		25,178	25,764
Deferred income	9	21,171	30,206
<b>Short-term debt</b>		<b>70,524</b>	<b>61,164</b>
<b>Debt</b>		<b>70,524</b>	<b>61,164</b>
<b>Liabilities and equity</b>		<b>120,945</b>	<b>125,334</b>
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## Statement of changes in equity

	Share capital	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 April	8,000	0	28,431	27,520	63,951
Exchange adjustments	0	-1,636	0	0	-1,636
Ordinary dividend paid	0	0	0	-27,520	-27,520
Net profit/loss for the year	0	0	-4,783	20,000	15,217
<b>Equity at 31 March</b>	<b>8,000</b>	<b>-1,636</b>	<b>23,648</b>	<b>20,000</b>	<b>50,012</b>

## Cash flow statement 1 April 2023 - 31 March 2024

	Note	2023/24 TDKK	2022/23 TDKK
Result of the year		15,217	19,066
Adjustments	10	4,851	3,583
Change in working capital	11	-5,382	-10,281
<b>Cash flow from operations before financial items</b>		<b>14,686</b>	<b>12,368</b>
Financial income		764	2,273
Financial expenses		-1,141	-2,071
<b>Cash flows from ordinary activities</b>		<b>14,309</b>	<b>12,570</b>
Corporation tax paid		-5,609	-6,628
<b>Cash flows from operating activities</b>		<b>8,700</b>	<b>5,942</b>
Purchase of property, plant and equipment		-2,488	-2,424
Fixed asset investments made etc		-779	0
Sale of property, plant and equipment		372	475
Sale of fixed asset investments made etc		0	16
<b>Cash flows from investing activities</b>		<b>-2,895</b>	<b>-1,933</b>
Raising of payables to group enterprises		19,267	0
Dividend paid		-27,520	-11,900
<b>Cash flows from financing activities</b>		<b>-8,253</b>	<b>-11,900</b>
<b>Change in cash and cash equivalents</b>		<b>-2,448</b>	<b>-7,891</b>
Cash and cash equivalents at 1 April		45,475	53,366
<b>Cash and cash equivalents at 31 March</b>		<b>43,027</b>	<b>45,475</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		43,027	45,475
<b>Cash and cash equivalents at 31 March</b>		<b>43,027</b>	<b>45,475</b>

## Notes to the Financial Statements

	<u>2023/24</u>	<u>2022/23</u>
	TDKK	TDKK
<b>1. Staff Expenses</b>		
Wages and salaries	57,605	54,256
Pensions	9,021	6,217
Other social security expenses	6,930	7,702
Other staff expenses	885	1,091
	<u>74,441</u>	<u>69,266</u>
Including remuneration to the Executive Board:		
Executive board	3,471	1,976
	<u>3,471</u>	<u>1,976</u>
Average number of employees	<u>78</u>	<u>76</u>
	<u>2023/24</u>	<u>2022/23</u>
	TDKK	TDKK
<b>2. Income tax expense</b>		
Current tax for the year	4,173	5,116
Deferred tax for the year	61	41
Adjustment of tax concerning previous years	46	-147
	<u>4,280</u>	<u>5,010</u>
	<u>2023/24</u>	<u>2022/23</u>
	TDKK	TDKK
<b>3. Profit allocation</b>		
Proposed dividend for the year	20,000	27,520
Retained earnings	-4,783	-8,454
	<u>15,217</u>	<u>19,066</u>

## Notes to the Financial Statements

### 4. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK
Cost at 1 April	18,246	181
Exchange adjustment	31	0
Additions for the year	666	1,822
Disposals for the year	-1,489	0
Cost at 31 March	<u>17,454</u>	<u>2,003</u>
Impairment losses and depreciation at 1 April	14,367	129
Depreciation for the year	1,782	87
Reversal of impairment and depreciation of sold assets	-1,117	0
Impairment losses and depreciation at 31 March	<u>15,032</u>	<u>216</u>
<b>Carrying amount at 31 March</b>	<u><b>2,422</b></u>	<u><b>1,787</b></u>

### 5. Other fixed asset investments

	Deposits
	TDKK
Cost at 1 April	417
Exchange adjustment	-2
Additions for the year	779
Cost at 31 March	<u>1,194</u>
<b>Carrying amount at 31 March</b>	<u><b>1,194</b></u>

## Notes to the Financial Statements

	2023/24	2022/23
	TDKK	TDKK
<b>6. Deferred tax asset</b>		
Deferred tax asset at 1 April	87	128
Amounts recognised in the income statement for the year	-61	-41
<b>Deferred tax asset at 31 March</b>	<b>26</b>	<b>87</b>
Property, plant and equipment	-26	-87
Transferred to deferred tax assets	26	87
	<b>0</b>	<b>0</b>
<b>Deferred tax asset</b>		
The deferred tax asset relates to losses in subsidiaries		
Calculated tax assets	26	87
<b>Carrying amount</b>	<b>26</b>	<b>87</b>

## 7. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

## 8. Other provisions

Provisions cover warranty and claims.

## 9. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	2023/24	2022/23
	TDKK	TDKK
<b>10. Cash flow statement - Adjustments</b>		
Financial income	-803	-2,273
Financial expenses	1,141	2,071
Depreciation, amortisation and impairment losses, including losses and gains on sales	1,869	2,545
Tax on profit/loss for the year	4,280	5,010
Exchange adjustments	-1,636	-3,770
	<b>4,851</b>	<b>3,583</b>

## Notes to the Financial Statements

	<u>2023/24</u>	<u>2022/23</u>
	TDKK	TDKK
<b>11. Cash flow statement - Change in working capital</b>		
Change in inventories	-2,486	2,489
Change in receivables	4,544	-5,115
Change in other provisions	200	-3,770
Change in trade payables, etc	-7,640	-3,885
	<u>-5,382</u>	<u>-10,281</u>
	<u>2023/24</u>	<u>2022/23</u>
	TDKK	TDKK
<b>12. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with bankers:		
The Company has collateral security in respect of bank guarantees of	3,878	3,878
<b>Rental and lease obligations</b>		
Liabilities under rental or lease agreements until maturity in total	16,567	6,375

# Notes to the Financial Statements

## 13. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
<b>Controlling interest</b>	
Sysmex Europe SE, Hamburg, Germany	Ownership, 100%
Sysmex Corporation, Japan	Ownership, 100%

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Apart from the above, there have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Sysmex Corporation	Kobe, Japan.
Sysmex Europe SE	Hamburg, Germany.

The Group Annual Report of Sysmex Corporation may be obtained at the following address:  
Kobe, Japan.

The Group Annual Report of Sysmex Europe SE may be obtained at the following address:  
Hamburg, Germany.

# Notes to the Financial Statements

## 14. Accounting policies

The Annual Report of Sysmex Nordic ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023/24 are presented in TDKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement

The assets and liabilities of foreign branches are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. The results of foreign operations are translated at the average rates of exchange during the year. Exchange differences arising on translation of the opening net assets and results of foreign operations are recognised directly in equity and presented in equity under a separate reserve for exchange rate conversion.

## Income statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

# Notes to the Financial Statements

## Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

## Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, stationery and office supplies, marketing costs, etc.

## Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, cost of goods sold and other external expenses.

## Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

## Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

## Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of realised and unrealised exchange adjustments as well as extra payments and repayment under the on-account taxation scheme.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## Balance sheet

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

# Notes to the Financial Statements

## Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

## Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## Equity

### Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

### Provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

# Notes to the Financial Statements

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## **Current tax receivables and liabilities**

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

## **Financial liabilities**

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

## **Deferred income**

Deferred income comprises payments received in respect of income in subsequent years.

## **Cash Flow Statement**

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

### *Cash flows from operating activities*

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

### *Cash flows from investing activities*

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

### *Cash flows from financing activities*

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

### *Cash and cash equivalents*

Cash and cash equivalents comprise .

The cash flow statement cannot be immediately derived from the published financial records.

# Notes to the Financial Statements

## Financial Highlights

### Explanation of financial ratios

Solvency ratio

$\text{Equity at year end} \times 100 / \text{Total assets at year end}$

Return on equity

$\text{Net profit for the year} \times 100 / \text{Average equity}$