



Systemex Nordic ApS

Hedegaardsvej 88
2300 Copenhagen S
CVR No. 38251120

Annual report 01.04.2022 - 31.03.2023

The Annual General Meeting adopted the annual
report on 03.10.2023

Ulf Sigurd Skimmeland
Chairman of the General Meeting

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Entity details

Entity

Sysmex Nordic ApS
Hedegaardsvej 88
2300 Copenhagen S

Business Registration No.: 38251120
Registered office: Copenhagen
Financial year: 01.04.2022 - 31.03.2023

Executive Board

Ulf Sigurd Skimmeland
Keith Lawrence Howes
Satu Sisko Marjaana Körner

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Sysmex Nordic ApS for the financial year 01.04.2022 - 31.03.2023.

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 Entity's financial position at 31.03.2023 and of the results of its operations and cash flows for the financial year 01.04.2022 - 31.03.2023.

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.

Copenhagen, 03.10.2023

Executive Board

Ulf Sigurd Skimmeland

Keith Lawrence Howes

Satu Sisko Marjaana Körner

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 01.04.2022 - 31.03.2023, 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 31.03.2023 and of the results of its operations and cash flows for the financial year 01.04.2022 - 31.03.2023 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.
- 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 under the Danish Financial Statements Act.

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.

Copenhagen, 03.10.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Nikolaj Thomsen

State Authorised Public Accountant

Identification No (MNE) mne33276

Management commentary

Financial highlights

| | 2022/23 | 2021/22 | 2020/21 | 2019/20 | 2018/19 |
|---|---------|---------|---------|---------|----------|
| | DKK'000 | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| Key figures | | | | | |
| Gross profit/loss | 95,752 | 92,622 | 76,647 | 69,058 | 37,894 |
| Operating profit/loss | 23,874 | 23,096 | 16,374 | 22,496 | (8,259) |
| Net financials | 202 | (823) | (921) | 750 | (376) |
| Profit/loss for the year | 19,066 | 17,264 | 11,050 | 18,031 | (11,185) |
| Total assets | 125,334 | 131,252 | 126,921 | 130,304 | 135,244 |
| Investments in property, plant and equipment | 2,424 | 1,252 | 1,320 | 818 | 429 |
| Equity | 63,951 | 60,555 | 67,423 | 53,079 | 38,652 |
| Ratios | | | | | |
| Return on equity (%) | 30.63 | 26.98 | 18.34 | 39.31 | 25.83 |
| Equity ratio (%) | 51.02 | 46.14 | 53.12 | 40.73 | 28.58 |

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

Return on equity (%):

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

Equity ratio (%):

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

Primary activities

The Company's activity consists of wholesale of machinery, equipment and accessories for the health care industry.

Development in activities and finances

The profit for the year amounts to DKK 19,066 thousand.

Profit/loss for the year in relation to expected developments

The result is satisfactory and above the expectations set out last year.

The result is positively affected from taking over distribution of a third-party hematology product and higher sales volumes in the financial year.

Outlook

Management expects the result for the financial year 2023/24 to be within the interval DKK 15,000 thousand to DKK 20,000 thousand.

Environmental performance

The Company recognizes 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 arises from production that is done mostly in Japan and Germany.

Research and development activities

Research and development activities are carried out on a Group level.

The Company invests in ongoing development and education of employees. This is done mainly through the Sysmex Academy to ensure that all employees are fully updated, able to advise our customers and to provide service to our customers' installations.

Foreign branches

The Company operates in all Nordic countries with an office in Copenhagen and branch offices in both Sweden and Norway.

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.

Income statement for 2022/23

| | Notes | 2022/23 DKK'000 | 2021/22 DKK'000 |
|--|-------|--------------------|--------------------|
| Gross profit/loss | | 95,752 | 92,622 |
| Staff costs | 1 | (69,266) | (66,903) |
| Depreciation, amortisation and impairment losses | | (2,612) | (2,623) |
| Operating profit/loss | | 23,874 | 23,096 |
| Other financial income | | 2,273 | 487 |
| Other financial expenses | | (2,071) | (1,310) |
| Profit/loss before tax | | 24,076 | 22,273 |
| Tax on profit/loss for the year | 2 | (5,010) | (5,009) |
| Profit/loss for the year | 3 | 19,066 | 17,264 |

Balance sheet at 31.03.2023

Assets

| | Notes | 2022/23 DKK'000 | 2021/22 DKK'000 |
|--|-------|--------------------|--------------------|
| Other fixtures and fittings, tools and equipment | | 3,879 | 4,449 |
| Leasehold improvements | | 52 | 78 |
| Property, plant and equipment | 4 | 3,931 | 4,527 |
| Deposits | | 417 | 433 |
| Financial assets | 5 | 417 | 433 |
| Fixed assets | | 4,348 | 4,960 |
| Manufactured goods and goods for resale | | 32,623 | 35,112 |
| Inventories | | 32,623 | 35,112 |
| Trade receivables | | 35,070 | 35,649 |
| Receivables from group enterprises | | 4,678 | 480 |
| Deferred tax | 6 | 87 | 128 |
| Other receivables | | 180 | 190 |
| Prepayments | 7 | 2,873 | 1,367 |
| Receivables | | 42,888 | 37,814 |
| Cash | | 45,475 | 53,366 |
| Current assets | | 120,986 | 126,292 |
| Assets | | 125,334 | 131,252 |

Equity and liabilities

| | Notes | 2022/23 DKK'000 | 2021/22 DKK'000 |
|--|-------|--------------------|--------------------|
| Contributed capital | | 8,000 | 8,000 |
| Retained earnings | | 28,431 | 40,655 |
| Proposed dividend | | 27,520 | 11,900 |
| Equity | | 63,951 | 60,555 |
| Other provisions | 8 | 219 | 261 |
| Provisions | | 219 | 261 |
| Trade payables | | 2,915 | 5,656 |
| Payables to group enterprises | | 88 | 12,765 |
| Tax payable | | 2,191 | 3,850 |
| Other payables | | 25,764 | 24,994 |
| Deferred income | 9 | 30,206 | 23,171 |
| Current liabilities other than provisions | | 61,164 | 70,436 |
| Liabilities other than provisions | | 61,164 | 70,436 |
| Equity and liabilities | | 125,334 | 131,252 |
| Unrecognised rental and lease commitments | 11 | | |
| Assets charged and collateral | 12 | | |
| Related parties with controlling interest | 13 | | |
| Transactions with related parties | 14 | | |
| Group relations | 15 | | |

Statement of changes in equity for 2022/23

| | Contributed capital DKK'000 | Retained earnings DKK'000 | Proposed dividend DKK'000 | Total DKK'000 |
|---------------------------|--|--|--|--------------------------|
| Equity beginning of year | 8,000 | 40,655 | 11,900 | 60,555 |
| Ordinary dividend paid | 0 | 0 | (11,900) | (11,900) |
| Exchange rate adjustments | 0 | (3,770) | 0 | (3,770) |
| Profit/loss for the year | 0 | (8,454) | 27,520 | 19,066 |
| Equity end of year | 8,000 | 28,431 | 27,520 | 63,951 |

Cash flow statement for 2022/23

| | Notes | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|-------|--------------------|--------------------|
| Operating profit/loss | | 23,874 | 23,096 |
| Amortisation, depreciation and impairment losses | | 2,545 | 2,623 |
| Other provisions | | (42) | (949) |
| Working capital changes | 10 | (14,009) | 19,033 |
| Cash flow from ordinary operating activities | | 12,368 | 43,803 |
| Financial income received | | 2,273 | 487 |
| Financial expenses paid | | (2,071) | (1,305) |
| Taxes refunded/(paid) | | (6,628) | (6,409) |
| Cash flows from operating activities | | 5,942 | 36,576 |
| Acquisition etc of property, plant and equipment | | (2,424) | (1,252) |
| Sale of property, plant and equipment | | 475 | 40 |
| Sale of fixed asset investments | | 16 | 0 |
| Cash flows from investing activities | | (1,933) | (1,212) |
| Free cash flows generated from operations and investments before financing | | 4,009 | 35,364 |
| Dividend paid | | (11,900) | (24,000) |
| Cash flows from financing activities | | (11,900) | (24,000) |
| Increase/decrease in cash and cash equivalents | | (7,891) | 11,364 |
| Cash and cash equivalents beginning of year | | 53,366 | 42,002 |
| Cash and cash equivalents end of year | | 45,475 | 53,366 |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 45,475 | 53,366 |
| Cash and cash equivalents end of year | | 45,475 | 53,366 |

Notes

1 Staff costs

| | 2022/23 | 2021/22 |
|---------------------------------------|----------------|----------------|
| | DKK'000 | DKK'000 |
| Wages and salaries | 54,256 | 56,362 |
| Pension costs | 6,217 | 3,584 |
| Other social security costs | 7,702 | 6,281 |
| Other staff costs | 1,091 | 676 |
| | 69,266 | 66,903 |
| Average number of full-time employees | 76 | 78 |

| | Remuneration of Management 2022/23 | Remuneration of Management 2021/22 |
|-----------------|---|---|
| | DKK'000 | DKK'000 |
| Executive Board | 1,976 | 2,039 |
| | 1,976 | 2,039 |

2 Tax on profit/loss for the year

| | 2022/23 | 2021/22 |
|--------------------------------------|----------------|----------------|
| | DKK'000 | DKK'000 |
| Current tax | 5,116 | 4,289 |
| Change in deferred tax | 41 | 565 |
| Adjustment concerning previous years | (147) | 155 |
| | 5,010 | 5,009 |

3 Proposed distribution of profit and loss

| | 2022/23 | 2021/22 |
|--|----------------|----------------|
| | DKK'000 | DKK'000 |
| Ordinary dividend for the financial year | 27,520 | 11,900 |
| Retained earnings | (8,454) | 5,364 |
| | 19,066 | 17,264 |

4 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK'000 | Leasehold improvements DKK'000 |
|---|---|---|
| Cost beginning of year | 18,127 | 196 |
| Exchange rate adjustments | (1,373) | 0 |
| Additions | 2,424 | 0 |
| Disposals | (932) | (15) |
| Cost end of year | 18,246 | 181 |
| Depreciation and impairment losses beginning of year | (13,678) | (118) |
| Exchange rate adjustments | 1,120 | 0 |
| Depreciation for the year | (2,526) | (19) |
| Reversal regarding disposals | 717 | 8 |
| Depreciation and impairment losses end of year | (14,367) | (129) |
| Carrying amount end of year | 3,879 | 52 |

5 Financial assets

| | Deposits DKK'000 |
|------------------------------------|-----------------------------|
| Cost beginning of year | 433 |
| Exchange rate adjustments | (16) |
| Cost end of year | 417 |
| Carrying amount end of year | 417 |

6 Deferred tax

| | 2022/23 DKK'000 | 2021/22 DKK'000 |
|-------------------------------|----------------------------|----------------------------|
| Property, plant and equipment | 87 | 20 |
| Provisions | 0 | 108 |
| Deferred tax | 87 | 128 |

| | 2022/23 DKK'000 | 2021/22 DKK'000 |
|------------------------------------|----------------------------|----------------------------|
| Changes during the year | | |
| Beginning of year | 128 | 693 |
| Recognised in the income statement | (41) | (565) |
| End of year | 87 | 128 |

Deferred tax assets

Deferred tax asset is recognized at estimated short term utilization.

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 contract accruals.

10 Changes in working capital

| | 2022/23 | 2021/22 |
|---|-----------------|----------------|
| | DKK'000 | DKK'000 |
| Increase/decrease in inventories | 2,489 | (3,179) |
| Increase/decrease in receivables | (5,115) | 8,230 |
| Increase/decrease in trade payables etc | (7,613) | 14,115 |
| Other changes | (3,770) | (133) |
| | (14,009) | 19,033 |

11 Unrecognised rental and lease commitments

| | 2022/23 | 2021/22 |
|--|----------------|----------------|
| | DKK'000 | DKK'000 |
| Liabilities under rental or lease agreements until maturity in total | 6,375 | 5,704 |

12 Assets charged and collateral

Sysmex Denmark has collateral security in respect of bank guarantees of DKK 2,586 thousand.

13 Related parties with controlling interest

Sysmex Nordic ApS' related parties comprise the following:

- Sysmex Europe SE, Hamburg, Germany (100%).
- Sysmex Corporation, Japan (100%)

14 Transactions with related parties

All transactions with related parties which have not been according with market conditions will be disclosed.

There have been no such transactions in the financial year.

15 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Sysmex Corporation, Kobe, Japan.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Sysmex Europe SE, Hamburg, Germany.

Accounting policies

Reporting class

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other nonmonetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or write-down. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant nonmonetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, 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.

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 salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of 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 as well as 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 as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Balance sheet

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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

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 | 3-8 years |
| Leasehold improvements | 10 years |

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

Inventories

Inventories are measured at the lower of cost using the average method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, 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.

Other financial liabilities

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

Tax receivable or payable

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

Deferred income

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

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

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less shortterm bank loans.