



CHANGE OF SCANDINAVIA RETAIL A/S

Farum Gydevej 73, DK-3520 Farum

**Annual Report for
1 July 2024 - 30 June 2025**

CVR No. 28 71 13 36

The Annual Report was presented and adopted at the
Annual General Meeting of the company on
10/01/2026

Tom Deichmann
Chairman of the general meeting





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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CHANGE OF SCANDINAVIA RETAIL A/S for the financial year 1 July 2024 - 30 June 2025.

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 30 June 2025 of the Company and of the results of the Company operations for 2024/25.

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.

Farum, 10 January 2026

Executive Board

Claus Walther Jensen
CEO

Board of Directors

Claus Walther Jensen

Gitte Breil

Julie Breil



Independent Auditor's report

To the shareholder of CHANGE OF SCANDINAVIA RETAIL A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2025 and of the results of the Company's operations for the financial year 1 July 2024 - 30 June 2025 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of CHANGE OF SCANDINAVIA RETAIL A/S for the financial year 1 July 2024 - 30 June 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company 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.



Independent Auditor's report

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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, 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.

Hillerød, 10 January 2026

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Aslund Pedersen
State Authorised Public Accountant
mne17120

Michael Blom
State Authorised Public Accountant
mne32797



Company information

The Company	CHANGE OF SCANDINAVIA RETAIL A/S Farum Gydevej 73 DK-3520 Farum CVR No: 28 71 13 36 Financial period: 1 July 2024 - 30 June 2025 Municipality of reg. office: Furesø
Board of Directors	Claus Walther Jensen Gitte Breil Julie Breil
Executive Board	Claus Walther Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Milnersvej 43 DK-3400 Hillerød



Financial Highlights

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

(TDKK)	2024/25	2023/24	2022/23	2021/22	2020/21
Key figures					
Profit/loss					
Gross profit	83,273	92,185	85,317	93,492	70,441
Profit/loss of primary operations	2,200	-2,626	-1,150	21,422	11,155
Profit/loss of financial income and expenses	-276	-360	-435	-22	655
Net profit/loss for the year	1,467	-2,387	-1,268	16,608	9,149
Balance sheet					
Balance sheet total	128,459	103,878	91,420	84,613	91,928
Investment in property, plant and equipment	4,177	7,304	10,919	9,585	3,622
Equity	17,774	16,308	18,695	19,963	3,355
Number of employees	189	217	199	179	146
Ratios					
Return on assets	1.7%	-2.5%	-1.3%	25.3%	12.1%
Solvency ratio	13.8%	15.7%	20.4%	23.6%	3.6%
Return on equity	8.6%	-13.6%	-6.6%	142.4%	-750.8%



Management's review

Key activities

The primary activities of the Company concern the operation of the Change retail concept stores offering lingerie, swimwear and other associated products.

Development in the year

The income statement of the Company for 2024/25 shows a profit of DKK 1,466,540, and at 30 June 2025 the balance sheet of the Company shows a positive equity of DKK 17,774,270.

The past year and follow-up on development expectations from last year

Because of the continuously challenging retail environment with high inflation, 23/24 has been another difficult year. We have managed to increase our revenue by 7% overall. We come out of 23/24 with a LFL of + 1%. We have seen a drop in traffic in our physical stores but have managed to pick that traffic up in our Webshop.

The management is overall not satisfied with the financial development but during the year we have seen our LFL in our stores being improved. This together with continuing our operational focus we expect to see improvements in 24/25.

Operating risks

It is assessed that the Company is not exposed to any special business or financial risks generally occurring in the industry.

Targets and expectations for the year ahead

Management expects a positive development in both gross profit and earnings for next year. We expect to increase profit with approx. DKK 10-15 million.

Research and development

The Company do not perform any research and development.

External environment

The Company's environmental impact on its surroundings is very limited. The Company strives to improve and optimize its energy consumption.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



Income statement 1 July 2024 - 30 June 2025

(DKK)	Note	2024/25	2023/24
Gross profit		83,272,673	92,185,394
Staff expenses	2	-77,054,763	-87,560,796
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-3,831,279	-7,118,449
Other operating expenses		-187,074	-132,567
Profit/loss before financial income and expenses		2,199,557	-2,626,418
Financial income	4	46,328	19,305
Financial expenses	5	-322,578	-379,620
Profit/loss before tax		1,923,307	-2,986,733
Tax on profit/loss for the year	6	-456,767	599,716
Net profit/loss for the year	7	1,466,540	-2,387,017



Balance sheet 30 June 2025

Assets

(DKK)	Note	2024/25	2023/24
Acquired licenses		0	0
Acquired other similar rights		2,829,980	3,482,969
Goodwill		1,462,500	0
Intangible assets	8	4,292,480	3,482,969
Other fixtures and fittings, tools and equipment		13,196,782	12,958,043
Leasehold improvements		7,970,980	7,402,953
Property, plant and equipment in progress		229,512	0
Property, plant and equipment	9	21,397,274	20,360,996
Deposits	10	5,326,061	5,181,890
Fixed asset investments		5,326,061	5,181,890
Fixed assets		31,015,815	29,025,855
Finished goods and goods for resale		44,478,335	47,236,709
Inventories		44,478,335	47,236,709
Trade receivables		2,049,018	2,024,156
Receivables from group enterprises		42,337,350	14,416,714
Other receivables		1,731,473	1,895,778
Prepayments	11	3,100,193	2,505,453
Receivables		49,218,034	20,842,101
Cash at bank and in hand		3,746,331	6,772,954
Current assets		97,442,700	74,851,764
Assets		128,458,515	103,877,619



Balance sheet 30 June 2025

Liabilities and equity

(DKK)	Note	2024/25	2023/24
Share capital	12	500,000	500,000
Retained earnings		17,274,270	15,807,730
Equity		17,774,270	16,307,730
Provision for deferred tax	13	1,641,183	1,184,416
Provisions		1,641,183	1,184,416
Deposits		400,000	400,000
Long-term debt	14	400,000	400,000
Credit institutions		9,928,148	0
Prepayments received from customers		1,758,463	2,787,568
Trade payables		9,483,905	5,941,792
Payables to group enterprises		66,453,790	56,469,983
Corporation tax		5,517,929	5,517,929
Other payables		13,378,641	13,549,583
Deferred income	15	2,122,186	1,718,618
Short-term debt		108,643,062	85,985,473
Debt		109,043,062	86,385,473
Liabilities and equity		128,458,515	103,877,619
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Statement of changes in equity

(DKK)	Share capital	Retained earnings	Total
Equity at 1 July	500,000	15,807,730	16,307,730
Net profit/loss for the year	0	1,466,540	1,466,540
Equity at 30 June	500,000	17,274,270	17,774,270



Notes to the Financial Statements

1. Other operating income

(DKK)	2024/25	2023/24
Market contribution	21,676,000	20,528,000
Other income	1,670,949	2,112,314
	23,346,949	22,640,314

2. Staff expenses

(DKK)	2024/25	2023/24
Wages and salaries	68,875,071	79,687,534
Pensions	4,276,575	4,795,765
Other social security expenses	1,639,334	1,501,908
Other staff expenses	2,263,783	1,575,589
	77,054,763	87,560,796

Average number of employees	189	217
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Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

(DKK)	2024/25	2023/24
Amortisation of intangible assets	690,489	655,279
Depreciation of property, plant and equipment	3,140,790	6,463,170
	3,831,279	7,118,449

4. Financial income

(DKK)	2024/25	2023/24
Other financial income	0	4,505
Exchange adjustments	46,328	14,800
	46,328	19,305



Notes to the Financial Statements

5. Financial expenses

(DKK)	2024/25	2023/24
Interest to group enterprises	134,544	15,886
Other financial expenses	20,468	37
Exchange adjustments, expenses	167,566	363,697
	322,578	379,620

6. Income tax expense

(DKK)	2024/25	2023/24
Deferred tax for the year	456,767	-599,716
	456,767	-599,716

7. Profit allocation

(DKK)	2024/25	2023/24
Retained earnings	1,466,540	-2,387,017
	1,466,540	-2,387,017

8. Intangible fixed assets

(DKK)	Acquired licenses	Acquired other similar rights	Goodwill
Cost at 1 July	51,218	14,045,427	0
Additions for the year	0	0	1,500,000
Cost at 30 June	51,218	14,045,427	1,500,000
Impairment losses and amortisation at 1 July	51,218	10,562,458	0
Amortisation for the year	0	652,989	37,500
Impairment losses and amortisation at 30 June	51,218	11,215,447	37,500
Carrying amount at 30 June	0	2,829,980	1,462,500



Notes to the Financial Statements

9. Property, plant and equipment

(DKK)	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost at 1 July	30,591,008	41,217,562	0
Additions for the year	2,313,303	962,706	900,823
Transfers for the year	76,346	594,967	-671,311
Cost at 30 June	32,980,657	42,775,235	229,512
Impairment losses and depreciation at 1 July	17,632,964	33,814,609	0
Depreciation for the year	2,150,911	989,646	0
Impairment losses and depreciation at 30 June	19,783,875	34,804,255	0
Carrying amount at 30 June	13,196,782	7,970,980	229,512
Including assets under finance leases amounting to	0	1,904	0

10. Other fixed asset investments

(DKK)	Deposits
Cost at 1 July	5,181,890
Additions for the year	294,521
Disposals for the year	-150,350
Cost at 30 June	5,326,061
Carrying amount at 30 June	5,326,061

11. Prepayments

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

12. Share capital

The share capital consists of 10 shares of a nominal value of DKK 50,000. No shares carry any special rights. There have been no changes in the share capital during the last 5 years.



Notes to the Financial Statements

13. Provision for deferred tax

(DKK)	2024/25	2023/24
Deferred tax liabilities at 1 July	1,184,416	1,564,292
Refund in the joint taxation	0	219,840
Amounts recognised in the income statement for the year	456,767	-599,716
Deferred tax liabilities at 30 June	1,641,183	1,184,416

14. Long-term debt

(DKK)	2024/25	2023/24
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt. The debt falls due for payment as specified below:		
Deposits		
After 5 years	0	0
Between 1 and 5 years	400,000	400,000
Long-term part	400,000	400,000
Within 1 year	0	0
	400,000	400,000

15. Deferred income

Deferred income comprises gift certificates unused at the balance sheet date.

16. Contingent assets, liabilities and other financial obligations

(DKK)	2024/25	2023/24
Charges and security		
The following assets have been placed as security with bankers: Bank debts of the Company and the affiliate, Change of Scandinavia A/S are secured by way of a company pledge of nominal value DKK 80,000 thousand. The booked value of assets at 30 June amounts to	50,819,833	52,743,834
Rental and lease obligations		
Rental and lease obligations	35,418,526	40,706,276



Notes to the Financial Statements

16. Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Asian Import ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

17. Related parties and disclosure of consolidated financial statements

Basis

Controlling interest

Change of Scandinavia Holding A/S	Parent Company
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Transactions

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

Name	Place of registered office
Asian Import ApS	Farum Gydevej 73, 3520 Farum
Change of Scandinavia Holding A/S	Farum Gydevej 73, 3520 Farum

18. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



Notes to the Financial Statements

19. Accounting policies

The Annual Report of CHANGE OF SCANDINAVIA RETAIL A/S for 2024/25 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 2024/25 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Change of Scandinavia Holding A/S, the Company has not prepared a cash flow statement.

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.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.



Notes to the Financial Statements

19. Accounting policies (continued)

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.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables 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 amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans 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 deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with other group Companies. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).



Notes to the Financial Statements

19. Accounting policies (continued)

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 20 years, determined on the basis of Management's experience with the individual business areas. The useful life of goodwill is 20 years, as the stores have a strong market position and a long earnings profile.

Acquired other similar rights is measured at cost less accumulated amortisation. Acquired other similar rights is amortised on a straight-line basis over its useful life, which is assessed at 20 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5-8 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

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.

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	5-8 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and 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 amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.



Notes to the Financial Statements

19. Accounting policies (continued)

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.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured 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.

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, such as loans from credit institutions, 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.

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.



Notes to the Financial Statements

19. Accounting policies (continued)

Financial Highlights

Explanation of financial ratios

Return on assets

$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$

Solvency ratio

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

Return on equity

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